

IC 20-9.1-6

Chapter 6. Purchase of School Buses

IC 20-9.1-6-1

Authority to purchase school buses

Sec. 1. Authority to Purchase School Buses. A school corporation may purchase school buses or special purpose buses in order to furnish transportation for school children. It may purchase both the body and the chassis of the school bus, or it may purchase either the body or the chassis. A purchase may be made for cash or under the terms of a security agreement.

(Formerly: Acts 1973, P.L.218, SEC.2.) As amended by Acts 1981, P.L.198, SEC.10.

IC 20-9.1-6-2

Security agreements; generally

Sec. 2. Security Agreements, Generally. A security agreement under this chapter shall run for a period not longer than six (6) years. It shall be amortized in equal, or approximately equal, installments, payable on the first day of January and July each year. The first installment of principal and interest shall be due and payable on the first day of July next following the collection of a tax which was levied after execution of the security agreement.

(Formerly: Acts 1973, P.L.218, SEC.2; Acts 1975, P.L.239, SEC.1.)

IC 20-9.1-6-3

Security agreements; appropriation

Sec. 3. Security Agreements, Appropriation. Before a security agreement is executed, an appropriation for the amount of the purchase price shall be made. This appropriation is made in the same manner as any other appropriation, except that its amount is not limited by the amount of funds presently available or the amount to be raised by a presently effective tax levy. No petition to borrow, notice to taxpayers or other formality is necessary except as specifically provided under this chapter and except as may be required by law for the issuance of general obligation bonds.

(Formerly: Acts 1973, P.L.218, SEC.2.)

IC 20-9.1-6-4

General obligation bonds

Sec. 4. General Obligation Bonds. When a school corporation requires funds to purchase a school bus for cash, it may borrow the necessary funds by issuing general obligation bonds. The bonds shall be issued in the same manner as other general obligation bonds; however, they may not extend for more than six (6) years.

(Formerly: Acts 1973, P.L.218, SEC.2.)

IC 20-9.1-6-5

Loans

Sec. 5. When a school corporation requires funds to purchase a

school bus for cash, it may, in lieu of issuing general obligation bonds, negotiate for and borrow funds or purchase the bus on an installment conditional sales contract or promissory note secured by the bus. To effect a loan, the school corporation shall execute its negotiable note or notes to the lender. The notes shall not extend for more than six (6) years and shall be payable at the same times and in the same manner as provided for security agreements in section 2 of this chapter. Before a note is executed, an appropriation for the amount of the purchase price of the buses and any incidental expenses connected with the purchase or the loan, shall be made in the same manner as other appropriations are made, except that the amount of the appropriation is not limited by the amount of funds available at the time of loan or purchase or by the amount of funds to be raised by a tax levy effective at the time of the loan. No petition to borrow, notice to taxpayers, or other formality is necessary to borrow funds under this section except as specifically provided in this chapter.

*(Formerly: Acts 1973, P.L.218, SEC.2; Acts 1975, P.L.239, SEC.2.)
As amended by Acts 1979, P.L.211, SEC.1; Acts 1982, P.L.130, SEC.2; P.L.41-1993, SEC.38.*

IC 20-9.1-6-6

Manner of purchase

Sec. 6. Manner of Purchase. Each purchase of a school bus shall be made in the same manner as provided by law for the purchase of school supplies by school corporations. When a school bus is purchased under a security agreement, any required notice to bidders or solicitation of bids shall set the length of time the security agreement shall run; the notice shall also set the terms of the security agreement including the security agreement price and interest rate. The low bid for a security agreement shall be determined by adding to each bidding price the net interest cost and then comparing the aggregates of the price and interest on each bid. Any difference between the cash and the security agreement prices shall not be considered a charge under section 2 of this chapter. Instead, a separate statement of each price shall be made to enable the governing body to determine the advisability of purchasing a school bus under a security agreement.

(Formerly: Acts 1973, P.L.218, SEC.2.)

IC 20-9.1-6-7

Effect of chapter

Sec. 7. Effect of Chapter. Nothing in this chapter shall in any way affect the validity and legality of any negotiable instrument, conditional sales contract, purchase money mortgage contract or promissory note executed and delivered prior to July 1, 1965 by any school corporation and given for the purchase of school buses in accordance with any law of this state which was specifically repealed, or repealed by implication by Acts 1965, c.259.

(Formerly: Acts 1973, P.L.218, SEC.2.)

IC 20-9.1-6-8

Indiana bond bank; loans, security agreements, or leases

Sec. 8. Notwithstanding any other provision of this chapter, a school corporation may negotiate and enter into loans, security agreements, or leases with the Indiana bond bank for the acquisition and financing of school buses.

As added by P.L.37-1991, SEC.5.